"ELBA" SPA

v.

FIAMMA SDN BHD

HIGH COURT MALAYA, KUALA LUMPUR
RAMLY ALI J
[ORIGINATING MOTIONS NO: (IP) (D1) D5-25-15-2005]
1 OCTOBER 2007

TRADE MARKS: *Registered trade mark - Declaration that trade mark 'ELBA' belonged to applicant and order to expunge said trade mark - Application for - Distinctiveness - Whether only confined to local market - Whether foreign market of any relevance - Respondent first and sole user of 'ELBA' mark in Malaysia - Whether respondent rightful and lawful proprietor of the mark - Relationship between applicant and respondent one of buyer and seller - Whether registered trade marks distinctive of goods of respondent at commencement of proceedings - Trade Marks Act 1976, ss. 14(1), 37, 45*

TRADE MARKS: *Registered trade mark - Declaration that trade mark 'ELBA' belonged to applicant and order to expunge said trade mark - Application for - Respondent first and sole user of 'ELBA' mark in Malaysia - Whether respondent rightful and lawful proprietor of the mark - Relationship between applicant and respondent one of buyer and seller, not as distributor or licensee of applicant - Whether registered trade marks distinctive of goods of respondent at commencement of proceedings - Trade Marks Act 1976, ss. 14(1), 37, 45*

TRADE MARKS: *Registered trade mark - Declaration that trade mark 'ELBA' belonged to applicant and order to expunge said trade mark - Application for - Fraud - Allegation of - Whether applicant proved elements required to establish fraud - Trade Marks Act 1976, ss. 14(1), 37, 45*

TRADE MARKS: *Registered trade mark - Declaration that trade mark 'ELBA' belonged to applicant and order to expunge said trade mark - Application for - Whether use of trade marks likely to deceive or cause confusion to public - Whether respondent had exclusive right to use said registered trade marks - Whether there was evidence to show entries of said registered trade marks made without sufficient cause - Whether court entitled to expunge it - Trade Marks Act 1976, ss. 14(1), 37, 45*

A ***TRADE MARKS:*** *Registered trade mark - Declaration that trade mark 'ELBA' belonged to applicant and order to expunge said trade mark - Application for - Whether applicant aggrieved party - Whether applicant damaged or injured if trade marks allowed to stand in Malaysian registry - Applicant never a user of 'ELBA' mark in Malaysia - Whether*
B *applicant entitled to said trade mark - Whether requirements under ss. 37 and 45 of Trade Mark Act 1976 fulfilled*

The applicant's originating motion herein was made under s. 37 and 45 of the Trade Marks Act 1976 for, *inter alia*, (a) a
C declaration that the trade mark consisting of the word 'ELBA' belonged to the applicant and (b) an order to expunge the said registered trade mark from the registered trade marks. The basis of the applicant's case was that the applicant was the lawful proprietor of the trade mark ELBA in Malaysia in respect of
D household appliances as the applicant was the first user of the said mark and the household appliances distributed in Malaysia bearing the trade mark ELBA were identified with the applicant. The applicant claimed that the respondent was merely its distributor from 1980 to 2005 for the completely knocked down
E (CKD) household appliances which were merely assembled here in Malaysia and for the completely built up (CBU) household appliances supplied by the applicant bearing the trade mark ELBA. The respondent, however, contended that the respondent was the lawful proprietor of the trade mark ELBA in Malaysia by reason
F of its purported first and independent use of the trade mark ELBA in respect of a wide variety of household appliances since purportedly 1979 or 1980. The issues that arose were (i) whether the trade marks were distinctive of the goods of the respondent in classes 7 and 11 at the commencement of this proceeding; (ii)
G whether the registrations were obtained by fraud – s. 37 of the Trade Marks Act 1976; (iii) whether use of the said trade marks were likely to deceive or cause confusion to the public or would be contrary to law – s. 14(1) of the Trade Marks Act 1976.

H **Held (dismissing applicant's originating motion):**

(1) In establishing whether the said trade mark was distinctive of the respondent, the court should have regard to the Malaysian market alone. The applicant herein had failed to adduce any evidence of use in Malaysia and/or identification of the 'ELBA'
I products by the consumers with the applicant in Malaysia and/

or that the 'ELBA' mark had acquired characteristics that it was distinctive of the goods of the manufacturer. Evidence of use in foreign markets was irrelevant because the applicant had failed to show that the 'ELBA' mark had become identified with the manufacturer of the products. (paras 18, 25 & 29)

(2) The respondent was the first and sole user of the 'ELBA' mark in Malaysia and hence the rightful and lawful proprietor of the mark. Under the Trade Marks Act 1976, it was not unlawful for the respondent to become the registered proprietor of the 'ELBA' mark in Malaysia since the mark had not been used at all in Malaysia when the respondent purchased mainly completed knocked down ('CKD') products and a small quantity of completely built up ('CBU') products from the applicant. The fact that almost all the products purchased by the respondent were CKD products clearly indicated that the relationship between the applicant and respondent was one of buyer and seller, and not as a distributor, agent or licensee of the applicant. The said registered trade marks were distinctive of the goods of the respondent at the commencement of this proceedings, and were distinctive and capable of distinguishing the goods of the respondent from that of other traders due to its efforts in marketing and promoting the products during the past 27 years in Malaysia. (paras 30, 31 & 34)

(3) The applicant was not able to show (i) an actual deception and intention to deceive; (ii) an actual injury or possible injury by means of deceit and (iii) actual knowledge that the act was calculated to injure one's neighbour. Hence, the applicant had failed to show the three elements required to found its case on fraud. The applicant's allegation on ownership of ELBA mark was not consistent with its decision to abandon registration for the ELBA mark in its country of origin, Italy and in Malaysia. The applicant also did not challenge the respondent's claim of proprietorship in letters from the solicitors for the respondent. The applicant had also only obtained registration for the 'ELBA' mark in a few countries after 1996. (para 42)

(4) The use of the said registered trade marks was not likely to deceive or cause confusion to the public or would be contrary to law. The element of confusion only comes in when goods belonging to two different proprietors with similar marks are competing in the same market in the course of trade. There would not be any confusion because the applicant had never used the 'ELBA' mark in the course of trade in Malaysia. As a registered proprietor of the 'ELBA' mark, the respondent had the exclusive right to use the said registered trade marks. There was no evidence to show that entries of the said registered trade marks on the register was an entry made without sufficient cause as to entitle the court to expunge it. (paras 54, 55 & 57)

(5) The applicant had failed to establish that it was an aggrieved party *ie*, that it may, in some possible way, be damaged or be injured if the trade marks were allowed to stand in the Malaysian registry. The applicant had never been the user of the 'ELBA' mark in Malaysia. Therefore, the applicant was not entitled to the mark in Malaysia. One could not be aggrieved over something which one was not entitled to. The requirements under s. 37 and 45 of the Trade Mark Act 1976 have not been fulfilled by the applicant. (paras 74 & 75)

Case(s) referred to:

Angus v. Clifford [1891] 2 Ch 449 ***(refd)***

Aristoc, Ltd v. Rysta, Ltd [1945] RPC 65 ***(refd)***

Asean Security Papers Mills Sdn Bhd v. CGU Insurance Bhd [2007] 2 CLJ 1 FC ***(refd)***

Bentley Motors [1931] Ld v. Lagonda Ld And Walker Owen Bentley In re Bentley [1931] Ld Trade Mark No 528.124 [1947] 64 RPC 33 ***(refd)***

Berlei (UK) Ltd v. Bali Brassiere Co Inc [1969] 1 WLR 1306 ***(refd)***

Claudins Ash, Sons & Co Ltd v. Invicta Manufacturing Company Ltd [1912] RPC 465 ***(refd)***

Farley (Aust) Proprietary Limited v. JR Alexander & Sons (Queensland) Proprietary Limited [1946] CLR 487 ***(refd)***

Fazaruddin Ibrahim v. Parkson Corp Sdn Bhd [1997] 2 CLJ 863 HC ***(refd)***

Gynomin Trade Mark [1961] RPC 408 ***(refd)***

GE Trade Mark [1973] ROC 297 ***(refd)***

Impex Electrical Ld v. Weinbaum and In the Matter of Trade Marks of Impex Electrical Ld [1927] 44 RPC 405 ***(refd)***

Lim Yew Sing v. Hummel International Sports & Leisure A/S [1996] 4 CLJ 784 CA ***(refd)***

Merchant Banking Company of London v Merchants' Joint Stock Bank [1978] Ch 560 ***(refd)***
North Shore Toy Company Limited v. Charles L Stevenson Limited [1974] RPC 545 ***(refd)***
Ronuk Ltd v. Sin Thye Hin & Co [1962] MLJ 383 ***(refd)***
Service Master (M) Sdn Bhd v. MHL Service Master Sdn Bhd & Anor [1998] 1 CLJ 459 HC ***(refd)***
The Seven Up Company v. OT Limited and Another [1947] CLR 203 ***(refd)***
Tiga Gajah Cho Heng Sdn Bhd v. Majuperak Tepung Beras Sdn Bhd [1997] 1 CLJ Supp 52 HC ***(refd)***
Trade Mark No. 70,078 of Wright Crossley & Co [1898] 15 RPC 131 ***(refd)***
Transfermatic Trade Mark [1966] FSR 192 ***(refd)***
Yong Tim v. Hoo Kok Chong & Anor [2005] 3 CLJ 229 FC ***(refd)***

Legislation referred to:
Trade Marks Act 1976, ss. 14(1), 25(1), 37, 45

Other source(s) referred:
Christopher Wadlow, *The Law of Passing Off,* p. 158, para 3-72
The Encyclopedia Forms and Precedents, 5th edn 2003, Reissue Volume 16(4), pp 59-62 & pp 508-479

For the applicant - Ambiga Sreenevasan (Janini Rajeswaran with him); M/s Sreenevasan
For the respondent - Michael CM Soo (Gan Kai Ling with him); M/s Shook Lin & Bok

Reported by Suhainah Wahiduddin

JUDGMENT

Ramly Ali J:

The Application

[1] The applicant's originating motion (encl. 1) is made under s. 37 and 45 of the Trade Marks Act 1976 for *inter alia*:

(a) a declaration that the trade mark consisting of the word "ELBA" belongs to the applicant;

(b) a declaration that the following Registered Trade Marks are entries made without sufficient cause and/or are entries wrongfully remaining on the Register of Trade Marks:

A (i) Trade Mark Registration No. 86/02264 for "ELBA" in Class 7;

(ii) Trade Mark Registration No. 86/02263 for "ELBA" in Class 11;

B (iii) Trade Mark Registration No. 95/13503 for "ELBA" in Class 11;

(iv) Trade Mark Registration No. 96/03611 for "ELBA" in Class 7; and

C (v) Trade Mark Registration No. 96/03612 for "ELBA" in Class 11.

(c) an order to expunge the said Registered Trade Marks from the Register of Trade Marks.

D **[2]** The grounds for the application are as follows:

(a) That the said Registered Trade Marks consisting of the trade mark "ELBA" were not, at the commencement of these E proceedings, distinctive of the goods of the respondent in Class 7 and 11. Therefore the registration of the Registered Trade Marks contravene s. 37 of the Trade Marks Act 1976;

(b) Further and/or alternatively, that the respondent is not the F proprietor of the said Registered Trade Marks consisting of the trade mark "ELBA" within the meaning of s. 25(1) of the Trade Marks Act 1976 and the registration of the Registered Trade Marks were obtained by fraud on the Registrar of Trade Marks and are *void ab initio*. The registration of the G Registered Trade Marks therefore contravene s. 37 of the Trade Marks Act 1976;

(c) Further and/or alternatively, that the registration of the said Registered Trade Marks contravene s. 14 of the Trade Marks Act 1976;

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Applicant's Contentions

[3] The basis of the applicant's case is that the applicant is the lawful proprietor of the trade mark ELBA in Malaysia in respect of household appliances as the applicant is the first user of the I said mark and the household appliances distributed in Malaysia

bearing the trade mark ELBA are identified with the applicant. The applicant claims that the respondent was merely its distributor from on or about 1980 to 31 January 2005 for the completely knocked down (CKD) household appliances which were merely assembled here in Malaysia and for the completely built up (CBU) household appliances supplied by the applicant bearing the trade mark ELBA. The respondent acquired no rights to the said trade mark.

Respondent's Contentions

[4] The respondent contends that the respondent is the lawful proprietor of the trade mark ELBA in Malaysia by reason of its purported first and independent use of the trade mark ELBA in respect of a wide variety of household appliances since purportedly 1979 or 1980.

Section 37 Of The Trade Marks Act 1976

[5] "In all legal proceedings relating to a trade mark registered … the register (including application under s. 46) the original registration of the trade mark under this Act shall, after the expiration of seven years from the date thereof, be taken to be valid in all respects unless it is shown:

(a) that the original registration was obtained by fraud;

(b) that the trade mark offends against s. 14; or

(c) that the trade mark was not, at commencement of the proceedings, distinctive of the goods or services of the registered proprietor, …

Section 45 Of The Trade Marks Act 1976

[6] (1) Subject to the provision of this Act:

(a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit;

A (b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register; …

B **Section 14 Of The Trade Marks Act 1976**

[7] (1) A mark or part of a mark shall not be registered as a trade mark:

(a) if the use of which is likely to deceive or cause confusion
C to the public or would be contrary to law;

(b) if it contains or comprises any scandalous or offensive matter or would otherwise not be entitled to protection by any court of law;

D **Onus Of Proof**

[8] The applicant bears the onus to show that all the requirements under ss. 37 and 45 of the Act have been satisfied.

[9] In *World Intellectual Property Organization Manual of Trade*
E *Mark Law & Practice in Malaysia* (1989 Edition) ("the WPO Manual") at para. 25.50 (Chapter 25 – Rectifications) under the heading "Burden of Proof" it is stated that:

> The onus in an application for rectification is on the applicant.
F This follows from section 36, which provides that in all legal proceedings relating to a registered trade mark (including applications under section 45) the fact that a person is registered as proprietor of the trade mark shall be prima facie evidence of the validity of the original registration and of all subsequent assignments and transmissions thereof.

G **[10]** In *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784 at Mahadev Shankar JCA said as follows:

> The only evidence before the court consisted of affidavit evidence.
H Order 41 r. 5(2) of the Rules of the High Court 1980 ('the RHC') provides that hearsay evidence may only be admitted in interlocutory proceedings. Although the attention of the court below was not directed to this rule, it did not change the evidentiary burden on the party upon whom the onus of proof rested. This fell upon the respondent, who was therefore obliged
I to show that there was uncontested material establishing the facts required to support the reliefs claimed.

[11] The respondent (ie, applicant for rectification of the trade mark registration) in *Lim Yew Sing (supra)* was the registered proprietor of the trade mark "HUMMEL D" in several countries and had sought to expunge the trade mark "HUMMEL" in Malaysia.

[12] In *Ronuk Ltd v. Sin Thye Hin & Co.* [1962] MLJ 383 at p. 384 Chua J said as follows:

> The burden of satisfying the Court that the existence of the respondent's mark on the register is likely to deceive or cause confusion is upon the applicant.

[13] It is incumbent upon the applicant to show that it is an aggrieved party in the sense that it may in some possible way, in a practical sense as opposed to merely a fantastic view, be damaged or injured if the said Registered Trade Marks were allowed to remain on the register. In order to succeed in expunging the said Registered Trade Marks the applicant must establish first, that it is an aggrieved party and second, that it is aggrieved by an entry made in the register without sufficient cause or by an entry wrongfully remaining in the register. The applicant must be aggrieved by the said Registered Trade Marks before it can apply for its removal or variation.

[14] In *Fazaruddin bin Ibrahim v. Parkson Corp Sdn Bhd* [1997] 2 CLJ 863 Abdul Malik Ishak J said as follows:

> To succeed in expunging the registration of trade mark number 92/07141, Parkson must show that they are aggrieved by an entry made in the register without sufficient cause or by an entry wrongfully remaining in the register as envisaged under s. 45(1)(a) of the Act. A person (other than the registered proprietor or the Registrar of Trade Marks) must be aggrieved by the registration of the trade mark before he can apply for its removal or variation.

[15] In *Service Master (M) Sdn Bhd v. MHL Service Master Sdn Bhd & Anor* [1998] 1 CLJ 459, Kamalanathan Ratnam JC said as follows:

> To that I would, by way of amplification, add the words of Romer J in the matter of Trade Mark No. 70,078 of *Wright Crossley & Co.* [1898] 15 RPC 131 at p. 133:

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> ... an applicant, in order to show that he is a person aggrieved, must show that in some possible way he may be damaged or injured if the trade mark is allowed to stand; and by 'possible' I mean possible in a practical sense, and not merely a fantastic view.

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Factual Background

[16] The said Registered Trade Marks were registered in the name of the respondent – Registration Nos. 86/02264 and 86/02263 in Class 7 and Class 11 since 1986, Registration No. 95/13503 in Class 11 since 1995 and Registration Nos. 96/03611 and 96/03612 in Class 7 and Class 11 since 1996 respectively. On the other hand, the applicant had applied for trade mark application No. 96/10992 for "ELBA" mark in Class 11 on 13 September 1996 and had subsequently withdrawn the said application.

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[17] The respondent is the first and sole user of the "ELBA" mark and has been marketing, selling and promoting a wide range of home appliances bearing the "ELBA" mark on a substantial basis since 1979 or early 1980. The respondent initially marketed and sold gas cookers, gas stoves and cooker hoods and has gradually expanded the range of products to more than 39 types of household appliances over the years as follows: "built in ovens; cooker hoods; gas cookers; washing machines; washing dryers; freezers; air-conditioners; built in hobs; dishwashers; refrigerators; tumble dryers; minibars; gas stoves; microwave ovens; thermo pots; kettles; cordless kettles; water heaters; ovenettes; toasters; irons; coffee makers; food processors; juicers; slow cookers; mixers; hair dryers; mini ovens; blenders; water filters; deep fryers; sandwich maker; glass covers; electric pressure cookers; vacuum cleaners; rice cookers; television sets; DVD and VCD players and ceiling fans.

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[18] Almost all the products purchased from the applicant by the respondent since 1979 were Completely Knocked Down ("CKD") products for assembling by the respondent or contract manufacturers appointed by the respondent independently of the applicant. Only a very small amount of products purchased from the applicant were completed products. The respondent has also been promoting, marketing and selling a wide range of "ELBA" products not manufactured by or purchased from the applicant.

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[19] The respondent has extensively advertised and promoted products bearing the said Registered Trade Marks as products originating from the respondent and/or the Fiamma Group of Companies since 1979 independently of the applicant. The respondent has expended in excess of RM27 million in advertising and promotional expenses and a large amount of money on warranty, back-up, after-sale and maintenance services of the "ELBA" products throughout the years. It is not disputed that the applicant did not contribute any money towards the advertising and promotion, warranty, back-up, after-sale and maintenance services of the "ELBA" products since 1979.

[20] On the other hand, the applicant has not since 1979 marketed, sold, advertised and/or promoted any products bearing the "ELBA" mark in Malaysia. The applicant alleges that the respondent was acting as its exclusive distributor or agent or licensee of the applicant for products bearing the "ELBA" mark in Malaysia and that goodwill and reputation acquired by the respondent belongs to the applicant. However the applicant has failed to adduce any evidence to substantiate its allegations.

[21] The respondent has continuously been marketing, selling and promoting the "ELBA" products on a very substantial basis since 1979. The annual sales value of the "ELBA" products sold by the respondent from 1980 to 2004 is in excess of RM1,115.5 million.

[22] The applicant does not own the "ELBA" trade marks worldwide as alleged. The applicant has only registered the "ELBA" mark in India, Sri Lanka, Indonesia, Philippines and South Korea. The said foreign registrations were obtained by the applicant between 1996 and 2004 which was at least 10 years after the respondent obtained registrations for the "ELBA" mark in 1986 in Malaysia. The applicant had allowed Italian Trade Mark Registration No. 197013 for "ELBA" to lapse due to non-renewal and subsequently filed a new trade mark application No. 00686273 for "ELBA" on 14 March 1994 in Italy which was at least eight years after the respondent obtained registrations for the "ELBA" mark in Malaysia.

[23] The applicant is the registered proprietor of one "ELBA" mark in Class 11 in Singapore. It is pertinent to point out that there are a total of 9 trade mark registrations/applications in

Singapore for the "ELBA" mark. Casa (S) Pte. Ltd. (an associated company of the respondent) is the registered proprietor of 6 registrations for "ELBA" and "ELBA & device" in Singapore.

[24] The respondent was and is exclusively responsible for the advertising and promotion of the products and it was at the sole discretion of the respondent to determine the manner and extent of advertising and promotion of the products. The applicant has not provided any technical assistance, know-how or training to the respondent, nor played any role on quality assurance requirements and did not exercise any quality control of the products at any time during the past 27 years.

The Trade Marks Were Distinctive Of The Goods Of The Respondent In Classes 7 And 11 At The Commencement Of This Proceeding

[25] In establishing whether the said trade mark is distinctive of the respondent, the court should have regard to the Malaysian market alone. Evidence of use in foreign market is irrelevant, unless it can be shown by evidence that in fact the products have been sold in the Malaysian market with the foreign trade mark on them.

[26] In *The Seven Up Company v. O.T. Limited and Another* [1947] CLR 203 Williams J in delivering the judgment of the High Court of Australia, said at p. 210 as follows:

> For the purpose of seeing whether the mark is distinctive, it is to the market of this country alone that one has to have regard. For that purpose foreign markets are wholly irrelevant, unless it be shown by evidence that in fact goods have been sold in this country with a foreign mark on them, and that the mark so used has thereby become identified with the manufacturer of the goods.
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> In Re an application by Notox Ltd (3) it was held that an English company was entitled to register as a trade mark in England the word "Notox" which was already being used as a trade mark in the same class of goods in the United States and other foreign countries by an American company. Luxmoore J. (as he then was), after referring to the evidence of user of the word "Notox" in the United States and other foreign countries said that this user "is really of no assistance, and I am satisfied that the evidence … is wholly irrelevant, for it relates to user abroad and does not relate in any way to user in this country."

[27] The seven up company was referred to and approved by the Court of Appeal in *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784 Mahadev Shankar JCA said as follows:

> Trade mark law is very territorial in many aspects. So, it will be useful to keep in the forefront of our minds that, however distasteful it may be for a trader in one country to appropriate the mark of the foreign trader who is using that mark in a foreign country, there is nothing unlawful under the Trade Marks Act 1976 for a Malaysian trader to become the registered proprietor of a foreign mark used for similar foreign goods provided that the foreign mark has not been used al all in Malaysia.

[28] In *Impex Electrical Ld. v Weinbaum and In the Matter of Trade Marks of Impex Electrical Ld.* [1927] 44 RPC 405 Tomlin J said as follows:

> There is no evidence that the word "Dario" was ever seen or heard of in this country at any rate before the date of the registration of the Plaintiff Company's Trade Mark … There is no evidence of that word ever having been known or heard of in this country before that date. There is no evidence that the word "Dario" has ever been connected in this country with any manufacturer or importer, apart from any right which the Plaintiff company may have to use the word.
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> …
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> It seems to me that the whole contention rests on a misapprehension. For the purpose of seeing whether the mark is distinctive, it is to the market of this country alone that one has to have regard. For that purpose foreign markets are wholly irrelevant, unless it be shown by evidence that in fact goods have been sold in this country with a foreign mark on them, and that the mark so used has thereby become identified with the manufacturer of the goods. If a manufacturer having a mark abroad has made goods and imported them into this country with the foreign mark on them, the foreign mark may acquire in this country this characteristic, that it is distinctive of the goods of the manufacturer abroad …

[29] In the present case, the applicant has failed to adduce any evidence of use in Malaysia and/or identification of the "ELBA" products by the consumers with the applicant in Malaysia and/or that the "ELBA" mark had acquired characteristics that it is distinctive of the goods of the manufacturer. Evidence of use in foreign markets is irrelevant because the applicant has failed to show that the "ELBA" mark has become identified with the manufacturer of the products.

[30] The respondent is the first and sole user of the 'ELBA" mark in Malaysia and hence is the rightful and lawful proprietor of the mark. Under the Trade Marks Act 1976, it is not unlawful for the respondent to become the registered proprietor of the "ELBA" mark in Malaysia since the mark had not been used at all in Malaysia when the respondent purchased mainly completely knocked down ('CKD") products and a small quantity of completely built-up ("CBU") products from the applicant.

[31] The fact that almost all the products purchased by the respondent were completely knocked down ("CKD") products clearly indicates that the relationship between the applicant and respondent was one of buyer and seller, and not as a distributor, or agent or licensee of the applicant as alleged by the applicant. The respondent has assembled, advertised, promoted and sold the products bearing the 'ELBA" mark in Malaysia, and it has also provided maintenance as well as after-sale services for the products in Malaysia independently of the applicant since 1979. The court is satisfied that purchasers and users of the products in Malaysia would conclude that products bearing the "ELBA" mark sold by the respondent in Malaysia are distinctive of the respondent alone.

[32] Further, the applicant has not only failed to adduce any evidence to substantiate the alleged distributorship or agency relationship between the respondent and the applicant, it has also failed to show association of the products bearing the "ELBA" mark with the applicant in the Malaysian market. As a result of the marketing and promotional activities for the products during the past 27 years by the respondent, it has established itself as the sole source of supply of products bearing the "ELBA" mark where purchasers of the products would recognize the goods as

originating from the respondent or the Fiamma Group of Companies. This is supported by the fact that all the advertising and promotional materials and activities for the products were carried out in the name of Fiamma Sdn Bhd (ie, the respondent). It is pertinent to point out all the representative copies of advertising and promotional materials in exh. "LCH12" to encl. 5 did not make any reference to the applicant either as the manufacturer of the products or as the owner of the "ELBA" mark.

[33] The court is satisfied that the word "ELBA" itself is not manifestly a manufacturer's mark and/or as the applicant's mark. The court could not in the circumstances conclude that the applicant has displaced the *prima facie* evidential effect of the registration of the respondent as proprietor of the mark merely by the fact that the respondent had purchased CKD products, and a small percentage of completed products, from the applicant during the past 27 years.

[34] Hence, the court finds that the said Registered Trade Marks are distinctive of the goods of the respondent at the commencement of this proceedings, and are distinctive and are capable of distinguishing the goods of the respondent from that of other traders due to its efforts in marketing and promoting the products during the past 27 years in Malaysia.

[35] The applicant has failed to adduce any evidence to substantiate its allegation that it has used the 'ELBA" mark exclusively worldwide or in Malaysia or that there was any association in the minds of the purchasers of the products bearing the "ELBA" mark with the business of the applicant in Malaysia. The "ELBA" mark is not distinctive or capable of distinguishing the applicant's goods from those of others in the Malaysian market.

Whether The Registrations Were Obtained By Fraud – s. 37 Of The Trade Marks Act 1976

[36] It is now settled law that the standard of proof required for an allegation of fraud in civil proceedings must be one of beyond reasonable doubt and not on balance of probabilities. (See: *Asean Security Papers Mills Sdn Bhd v. CGU Insurance Bhd* [2007] 2 CLJ 1 (Federal Court); and *Yong Tim v. Hoo Kok Chong & Anor* [2005]

A 3 CLJ 229 (Federal Court). In the present case, the applicant has to discharge the onus of proof that the respondent is not the proprietor of the said trade marks and that the said Registered Trade Marks were obtained by fraud (beyond reasonable doubt).

B **[37]** The ordinary meaning of fraud involves "dishonesty or grave moral culpability". It means "actual fraud, dishonesty of some sort". There must be some element of actual deception by the respondent in registration of the said trade marks. (See: *Farley (Aust.) Proprietary Limited v. J.R. Alexander & Sons (Queensland)* C *Proprietary Limited* [1946] CLR 487.

[38] In *Gynomin Trade Mark* [1961] RPC 408, Atkinson, Assistant-Comptroller of Trade Marks said as follows:

> In this connection, it is necessary to consider the meaning of the
> D word "fraud" in the context of s. 13. I was referred in this matter, by Counsel, to two authorities: (1) *Bentley v. Lagonda* [1947] 64 RPC 35 and (2) *Nordisk Insulinlaboratorium v. Gorgate Products Ltd* [1953] Ch. 430.
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> In the first of these cases Roxburgh, J. considered the meaning
> E of the word "fraud" in the context of s. 13 and stated that this has not at that time been defined. Although he did not then define it, he held that it must involve some element of actual deception by the applicant for registration.

F **[39]** In *Bentley Motors (1931) Ld. v Lagonda. Ld. and Walker Owen Bentley and In re Bentley* [1931] Ld. Trade Mark No. 528.124 [1947] 64 RPC 33 at p. 35 Roxburgh J said as follows:

> I feel bound to hold that it involves some element of actual deception by the applicant for registration. I want to make it plain
> G that in using the phrase "actual deception" I do not necessarily exclude all omissions, because it is quite possible, and I think it is a trite saying, that a statement may be in such a form that having regard to what is omitted it is deceptive, though on the face of it and taken quite alone it is not deceptive.
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> H But in my judgment a claimant who sets out to say that registration was obtained by fraud must allege some actual deception by word or deed, or some omission by word or deed of the character which I have just indicated; and accordingly I am not prepared to hear evidence directed to the issue that the
> I registration was obtained by fraud.

[40] In this respect the court is in full agreement with Kamalanathan Ratnam JC in *Tiga Gajah Cho Heng Sdn Bhd v. Majuperak Tepung Beras Sdn Bhd* [1997] 1 CLJ Supp 52, where he ruled as follows: A

> Coming to the issue of fraud, I hold that fraud as stated in s. 37 of the TMA 1976 must and ought to reflect the ordinary meaning ascribed to it and therefore show conduct involving dishonesty or deception, by word or deed or omission by word or deed. The dishonesty must not be assumed solely by reason of knowledge of an unregistered interest. B
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> It is not right in my view to give example as to what may constitute fraud by way of illustrative hypothetical conditions because each case must depend upon its own specific set of facts. I am fortified in the view that I hold by relying of *Farley (Aust.) Pty Ltd v. JR Alexander & Sons (Q) Pty Ltd* [1946] 75 CLR 487, where in Williams J said at p 492: C
>
> *Prima facie* the words of a statute should be given their ordinary grammatical meaning. The ordinary meaning of fraud involves 'dishonesty or grave moral culpability' (see *Re Avery's Patent*). D
>
> …
>
> What therefore emerges from these cases is the crystallization of three elements to co-exist in establishing fraud in respect of s. 37 of the TMA 1976. E
>
> For fraud to subsist, there must be:
>
> (1) an actual deception and intention to deceive; F
>
> (2) an actual injury or possible injury by means of deceit; and
>
> (3) actual knowledge that the act was calculated to injure one's neighbour. G

[41] For the purpose of the present case, the court adopts the three elements to be satisfied in order to prove fraud on beyond reasonable doubts as stated in *Tiga Gajah* case *(supra)*, namely:

(a) an actual deception and intention to deceive; H

(b) an actual injury or possible injury by means of deceit;

(c) actual knowledge that the act was calculated to injure one's neighbour. I

[42] In this case the applicant has failed to show the three elements required to found its case on fraud. The applicant's allegation on ownership of the 'ELBA" mark is not consistent with its decision to abandon registration for the "ELBA" mark in its country of origin, Italy and in Malaysia; the applicant did not challenge the respondent's claim of proprietorship in letters dated 11 November 1999 and 8 December 1999 from the solicitors for respondent (pp. 893-894 and 897, encl. 5) and the applicant has only obtained registration for the "ELBA" mark in a few countries after 1996.

[43] The applicant must adduce sufficient evidence to establish a *prima facie* case of fraud committed by the respondent in registering the trade marks in question. This is clearly said down by Kay LJ in *Angus v. Clifford* [1891] 2 Ch. 449 (at p. 479) as follows:

> It seems to me that it is impossible for any Court to assume anything to assist a plaintiff to make out his case of fraud. Every step, every material step in the evidence which makes out a case of fraud, it is incumbent on the plaintiff who alleges fraud to prove by sufficient evidence. If it is a necessary part of his case to make out that the reports were untrue, then all I can say is, there is not only no proof of that, but there is no evidence of it.

[44] Jessel MR in *Merchant Banking Company of London v. Merchants' Joint Stock Bank* [1878] Ch. 560 at p. 563, had stressed the same point as follows:

> What the law did prevent was fraud; and it prevented not only actual fraud, that is, fraud intentionally committed, but it also prevented a man from carrying on business in such a way, whether he knew it or not, as to represent that his business was the business of another man … That might well be, but still after all it is merely a question of evidence.

[45] The applicant has not discharged its onus of proof that the respondent is not the proprietor of the said Registered Trade Marks and that the said Registered Trade Marks were obtained by fraud. The applicant has also failed to prove beyond reasonable doubt that the said Registered Trade Marks were obtained by fraud.

[46] The evidence available – show that the respondent is the rightful and lawful proprietor of the said Registered Trade Marks because the respondent is the first and sole user of the "ELBA"

mark for a wide range of household appliances in Malaysia. The applicant did not and does not have intention to claim proprietorship of the "ELBA" mark in Malaysia based on the following facts:

(a) the applicant abandoned or withdrew Trade Mark Application No. 96/10992 in Malaysia after the respondent has unequivocally asserted proprietorship in the "ELBA" mark in its solicitors' letters dated 11 November 1999 and 8 December 1999 (pp. 893-894, and 897, exh. "LCH14" of Lim's 1st affidavit (encl. 5)).

(b) the applicant did not respond to the letter dated 8 December 1999 from the solicitors for the respondent (p. 897 of Lim's 1st affidavit (encl. 5)) and continued to sell the products to the respondent and did not assert its claim on ownership on the "ELBA" mark before a letter from the applicant dated 2 October 2003 (pp. 1540-1541 of Diego's 1st affidavit (encl. 3)).

(c) the applicant then sent a letter dated 4 October 2004 (pp. 1559-1561 of Diego's 1st affidavit (encl. 3)) to the respondent's solicitors alleging that the respondent was not entitled to register the "ELBA" mark and unauthorised use of the "ELBA" mark on products other than free-standing cookers, built-in ovens and hob. The applicant had in the said letter dated 4 October 2004 demanded the respondent to assign Registration Nos. 86/02263, 95/13503 and 96/03612 for "ELBA" in Class 11 to the applicant. The applicant had in letter dated 14 October 1999 (pp. 890-892 of Lim's 1st affidavit (encl. 5)) requested for assignment of Registration Nos. 86/02263, 86/02264 and 95/13503. It is to be noted that the applicant is now seeking rectification of all the 5 registrations in the name of the respondent. This clearly shows that the applicant is not consistent on its claim and was making claim for different registrations at different time.

Whether Use Of The Said Trade Marks Are Likely To Deceive Or Cause Confusion To The Public Or Would Be Contrary To Law – s. 14(1) of the Trade Marks Act 1976

[47] Section 14(1) of the Trade Marks Act 1976 clearly stipulates that a mark or part of a mark shall not be registered as a trade mark if the use of which is likely to deceive or cause confusion to the public or would be contrary to law.

[48] In *Claudins Ash, Sons & Co Ltd v. Invicta Manufacturing Company Ltd* [1912] RPC 465 (at p. 475). Lord MacNaghten said as follows:

> … when a person comes forward and asks the court to interfere because somebody is stealing or is about to steal his trade, he must prove that persons have actually been deceived or that what the defendant is doing is calculated to deceive. Now, here, the Plaintiffs have not proved that any human being has been deceived. In all these cases, you have to consider the particular circumstances. Here, these are goods which are only dealt with in a very limited trade, and here is no proof of deception – in fact the proof is otherwise; all the witnesses who were called said they would not be deceived. Therefore, I think the Court of Appeal was quite right, and that this appeal must be dismissed.

[49] In *Lim Yew Sing (supra)* at p. 19 and 20, Mahadev Shankar JCA said as follows:

> For the purpose of establishing distinctiveness, therefore, one must look to the use of the mark in the course of trade. The element of confusion comes in when goods belonging to two different proprietors with similar marks are competing in the same market in the course of trade. The confusion here is in the perception of the consumer.

[50] Lord Upjohn in *Berlei (UK) Ltd v. Bali Brassiere Co Inc* [1969] 1 WLR 1306; [1969] 2 All ER 812 has elaborated at great length on the test of deceiving or causing confusion in relation to the same provisions of law, where he said at pp. 827-828 as follows:

> What, then, is the test? This must necessarily be a question of fact and degree in every case. I am content in amplification of the test laid down by Evershed J to take the test as in effect laid down by Romer J in *Re Jellinek's Application.* It is not necessary in order to find that a mark offends against s 11 to prove that there is an actual probability of deception leading to a passing-off or (1 add) an infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the court has to be satisfied not merely that there is a possibility of confusion, it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register. And so *mutatis mutandis* when it is sought to expunge a mark.

[51] The House of Lords in *GE Trade Mark* [1973] ROC 297 had also considered the same issue of deception and confusion. In that case Lord Diplock said as follows:

> Where the question of the likelihood of deception or confusion arises upon an application to expunge a registered mark which has already been the subject of substantial issue, the absence of evidence of actual confusion having occurred is a potent factor in determining whether or not the court should exercise its discretion to expunge the mark from the register. But it does not decide the relevant hypothetical question which must be answered in the affirmative before any question of discretion to expunge the mark arises: would any normal and fair future use of the mark, in the course of trade, be likely to cause deception or confusion? If actual confusion in the past is proved, this is a strong indication that continued confusion is likely; but the absence of evidence of past confusion may be accounted for by the small extent to which the mark has been used or by special circumstances affecting its past use which may not continue to operate to prevent confusion in the future.

[52] On the same page of the judgment, Lord Diplock continued:

> But where goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a 'jury question'. By that I mean that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

[53] The above rulings in both cases were adopted and followed by Abdul Malik Ishak J in *Fazaruddin bin Ibrahim v. Parkson Corp Sdn Bhd* [1997] 2 CLJ 863.

[54] In the present case, the court is satisfied that the applicant has failed to prove deception and actual injury. The court is satisfied that the use of the said Registered Trade Marks is not likely to deceive or cause confusion to the public or would be contrary to law. The respondent imported completely knocked down ("CKD") free standing cookers, built-in hobs and built-in ovens and a small portion of completed products from the

applicant. The respondent had imported and is still importing a wide range of goods including built in ovens, cooker hoods, gas cookers, washing machines, washing dryers, freezers, air-conditioners, built in hobs, dishwashers, refrigerators, tumble dryers, minibars, gas stoves, microwave ovens, thermo pots, kettles, cordless kettles, water heaters, ovenettes, toasters, irons, coffee makers, food processors, juicers, slow cookers, mixers, hair dryers, mini ovens blenders, water filters, deep fryers, sandwich maker, glass covers, electric pressure cookers, vacuum cleaners, rice cookers, television sets, DVD and DCD players, and ceiling fans from other suppliers and marketed the same in Malaysia under the "ELBA" mark. Purchasers of products bearing the "ELBA" mark in Malaysia would associate the mark with the respondent exclusively.

[55] The element of confusion only comes in when goods belonging to two different proprietors with similar marks are competing in the same market in the course of trade. There would not be any confusion because the applicant has never used the "ELBA" mark in the course of trade in Malaysia.

[56] An analogy can be drawn with the Court of Appeal's decision in *Lim Yew Sing (supra)* and in the instant case as follows:

(a) there was no use of the mark at all by the manufacturer in Malaysia. In the instant case, the respondent is also the first and sole user of the "ELBA" mark in Malaysia;

(b) there was no confusion in the minds of the public because the Malaysian consumers were never introduced to the trade mark in the course of trade by the manufacturer. The applicant in the instant case has not adduced any evidence to substantiate its allegation on confusion and/or deception in the minds of the consumer. The Malaysian consumers would not confuse the manufacturer with the respondent because the consumers were never introduced to the trade mark in the course of trade by the manufacturer.

(c) The respondent (ie, the manufacturer) in *Lim Yew Sing* case did not have worldwide reputation at all material times as alleged. The applicant in the instant case has also failed to prove its allegation that the "ELBA" mark has worldwide reputation.

[57] Based on the above considerations, the court finds that first, there was no evidence of actual confusion if the said Registered Trade Marks were allowed to remain on the register. Secondly, applying the common law usage, the respondent was and is the first and sole user of the mark. Thirdly, as a registered proprietor of the "ELBA" mark, the respondent has the exclusive right to use the said Registered Trade Marks. Fourthly, there was no evidence to show that entries of the said Registered Trade Marks on the register was an entry made without sufficient cause as to entitle the court to expunge it.

[58] Another test to get a registered mark expunged or removed from the register on the ground of deceptive similarity is for the applicant to establish the probability that immediately before the mark was registered, he could have obtained an injunction restraining the respondent's use of the mark. This probability must not be theoretical or slight, but must be real and substantial.

[59] In this respect Buckley J, in *Transfermatic Trade Mark* [1966] FSR 192 (at p. 200) said:

> Where, however, as in this case, an applicant seeks to have a registered mark expunged because, as he alleges, its registration offended against section 11 on the ground of deceptive similarity, in my judgment the burden rests upon him to establish the probability that immediately before the mark was registered he could have obtained an injunction restraining his opponents' use of the mark. This probability must not be theoretical or slight, but real and substantial. Have the applicants for rectification achieved this?

[60] In the present case, the applicant could not have obtained an injunction to restrain the respondent from using the "ELBA" mark because there is no evidence to prove that the respondent has misrepresented use of the "ELBA" mark leading to deception and/or confusion.

[61] Even if the court were to take the view that the applicant could have established misrepresentation leading to deception and confusion, the applicant would not be able to prove that the applicant would suffer damage which could not be adequately compensated by damages.

A **Proprietorship And Use Of The Said Registered Trade Marks**

[62] The applicant has failed to prove its allegation that it had used the said Registered Trade Marks through use of the
B respondent in Malaysia for the following reasons:

(a) the respondent has not at any time represented that goods bearing the "ELBA" mark were or are associated with or originating from the applicant. It is not possible for this court
C to come to a conclusion that the public or consumers associate the goods bearing "ELBA" mark with the applicant (ie, "ELBA" S.p.A) since the respondent was solely responsible for the manufacturing and/or assembling, distribution, sales, advertising, promotion, maintenance and after-sale services of the goods and has expended in excess of
D RM27,000,000 on advertising and promotion of the goods during the past 27 years, without any form of assistance from or control by the applicant;

(b) the applicant did not and does not have any intention to
E claim proprietorship of the "ELBA" mark in Malaysia until it instituted this proceeding in 2005;

(c) the respondent had purchased CKD products for assembling in Malaysia independently without any transfer of know how,
F or quality control from the applicant throughout the 27 years;

(d) the applicant had based its claim of ownership of the "ELBA" marks on a non-existent distributorship agreement;

(e) the relationship between the applicant and the respondent was
G non-other than manufacturer and purchaser of CKD products;

(f) the respondent was at all times a purchaser of unfinished or completely knocked down (CKD) parts of the applicant's manufacture. Therefore, the "ELBA" products sold in Malaysia
H were assembled, promoted and sold under the aegis of the respondent. In *Aristoc, Ld. v Rysta, Ld.* [1945] RPC 65 at p. 80, Lord Macmillan said as follows:

I

> A trade mark must thus be used in trade. "Trade" is no doubt a wide word but its meaning must vary with and be controlled by its context. A connection with goods in the course of trade in may opinion means in the definition section as association with the goods in the course of their production and preparation for the market. After goods have reached the consumer they are no longer in the course of trade. The trading in them has reached its objective and its conclusion in their acquisition by the consumer.

(g) the applicant has not provided any technical assistance, know-how or training to the respondent, nor exercise any quality control of the products at any time during the past 27 years;

(h) there is no evidence to support the applicant's allegation that it had provided training and technical collaboration. The respondent's factory manager, Ong Kee Huat, only visited the applicant's factory once in 27 years. It was not for training or technical collaboration. There was no positive denial of the averments contained in this affidavit by the applicant; and

(i) the respondent had sourced and purchased, amongst others, pietzzo (ignition valve), being an essential component of gas cooker from other manufacturers. The applicant also did not play any role on the assembly of the "ELBA" products and/or the finished "ELBA" products before they were sold to the public.

[63] Under the circumstances the court is satisfied that the respondent has acquired substantial reputation and goodwill and is therefore the lawful and rightful owner of the said trade marks.

[64] In *The Law of Passing Off* by Christopher Wadlow at p. 158 para. 3-72, it is stated as follows:

> Whether the foreign supplier, the importer, or some other party is the owner of the goodwill is a question of fact in every case. The inference that the foreign supplier is the owner is strengthened the more he enjoys control over the selection of the importer and his conduct, or if there is more than one importer at a time or in succession, though none of these factors is necessary or conclusive. Conversely, all the relevant goodwill may be owned by the importing business to the exclusion of the supplier if it is the importer who is seen as responsible for the goods.

[65] The applicant has not sold any goods in Malaysia directly and therefore is not entitled to any reputation or goodwill attached to the "ELBA" mark in Malaysia (See: *North Shore Toy Company Limited v. Charles L Stevenson Limited* [1974] RPC 545).

[66] The applicant claimed that the word "ELBA" mark is the first two alphabets of the name Elio Baggio. Even if this claim is true, this does not mean that the applicant has proprietary right on the "ELBA" mark worldwide and/or in Malaysia in particular. The word "ELBA" or "Elba" is or was commonly used on its own and in combination with other words by others who are not related to the applicant. Elba is also the name of an island in Italy which is famous for tourism. Elba is being used on articles of clothing by one Elba Group Sdn Bhd, and by other companies/ individuals not connected to the applicant or respondent in Malaysia.

[67] The applicant also claimed that the flower shaped sticker bearing the words "ELBA, made in Italy, Trusted since 1950" was created by the applicant and therefore was exclusively associated with the applicant.

[68] The court cannot accept this claim by the applicant. There is no evidence that the flower shaped sticker bearing the words ""ELBA", Made in Italy, Trusted since 1950" ("flower sticker") was created by the applicant. It is stated in para. 9.5 of Lim's 3rd affidavit (encl. 10) that the flower sticker, one with the word "ELBA" and the other with the word "ELBA" and Chinese characters "flower treasure brand" were created exclusively for used on "ELBA" products in Malaysia and Singapore. This is consistent with the fact that it would have been meaningless to use the "flower sticker" with Chinese characters in Italy. There is no evidence that the "flower sticker" was owned by the applicant or it was exclusively associated with the applicant because it was also used on FABER products which were manufactured by another manufacturer not associated with the applicant.

[69] Further, there is no evidence that brochures bearing the words "The Reliable Italian Homemaker" or "Made in Italy" were distinctive of or were associated with the household appliances of the applicant. The words "Reliable Italian Homemaker" and

"Made in Italy" were and are not distinctive of the applicant's goods because there were and are many other manufacturers of household appliances in Italy.

[70] The words "100% designed and manufactured in Italy" used on the advertisement at p. 793 of exh. "LCH12" to Lim's 1st affidavit (encl. 5) does not indicate that the "ELBA" products marketed and sold by the respondent are associated with or originating from the applicant as alleged. It is common knowledge that many household appliances in particular kitchen or cooking appliances were manufactured in Italy.

[71] The applicant relied on the claim that the respondent was at all material times only the distributor of the applicant's products in Malaysia and therefore the products sold in Malaysia with the trade marks logo were associated with the applicant. The respondent on the other hand denied any such relationship of distributorship.

[72] Based on the available evidence, before the court, the court finds that the applicant has failed to adduce a copy of the alleged distributorship agreement and/or any evidence to prove the existence of the alleged distributorship relationship. The applicant's bare allegation should be disregarded for the following reasons:

(a) almost all the products purchased by the respondent were completely knocked down ("CKD") products, in fact, the invoices in "exh. A7" of Diego's 1st affidavit (encl. 3), does not consist of any completely built-up ("CBU") products;

(b) the respondent has the sole discretion to appoint assemblers to assemble the CKD products;

(c) the applicant has never provided any training on manufacturing or assembling process or otherwise to the respondent;

(d) the applicant did not provide technical transfer, technical know-how, basic equipment or tooling nor exercised any quality control on the products;

A (e) the respondent had sourced many purchased "pietzzo" (ignition valve) from other manufacturers. Pietzzo valve is an essential component of a gas cooker. The applicant did not have control over the quality or make of the pietzzo assembled in the CKD gas cookers;

B (f) the respondent has also sourced and purchased 'kuali' stand for cooker hobs and oven tray for gas cooker from other manufacturers. The applicant has knowingly allowed the outsourcing without imposition of any quality control;

C (g) the applicant did not play any role at all on quality control, assembly or sale of the "ELBA" products;

(h) the applicant did not play any role in the advertising and promotion of the products bearing the "ELBA" mark since
D 1980. The respondent has spent in excess of RM27 million on advertising and promotion expenses for the products in Malaysia;

(i) the applicant has failed to exercise any rights a trade mark
E proprietor would ordinarily have over the "ELBA" mark;

(j) the applicant did not have any right to inspect the respondent's records and ensuring an effective after-sales services;

F (k) the respondent was not required to fulfill any obligation as an alleged distributor. The respondent was not required to purchase goods from the applicant only; not to deal in any competing goods without the applicant's consent; to inform the applicant of any distributorship reorganization; to place a
G minimum number of advertisements and/or to use only promotional materials by the applicant (*The Encyclopedia Forms and Precedents,* 5th edn 2003 Reissue Volume 16(4) at pp. 59-62 and pp. 508-479).

H **Conclusion**

[73] In conclusion, the court finds that the applicant has failed to establish that the said Registered Trade Marks are entries made without sufficient cause and/or are entries wrongfully remaining on
I the register of Trade Marks.

[74] The applicant has also failed to establish that it is an aggrieved party ie, that it may, in some possible way, be damaged or injured if the trade marks are allowed to stand in the Malaysian registry. This is so, because the applicant has never been user of the "ELBA" mark in Malaysia. In fact the respondent was the first and sole user of the "ELBA" mark in Malaysia and hence the rightful and lawful proprietor of the mark in Malaysia. Therefore the applicant is not entitled to the mark in Malaysia. One cannot be aggrieved over something which he is not entitled to.

[75] The requirements under s. 37 and 45 of the Trade Mark Act 1976 have not been fulfilled by the applicant. Therefore, in view of the foregoing, the applicant's origination motion (encl. 1) be dismissed with costs.